

The Chinese Communist Party: Recruiting and Controlling the New Elites

Cheng Li

Abstract: This article explores two interrelated aspects of the new dynamics within the CCP leadership – the new elite groups and the new ground rules in Chinese politics. The first shows profound changes in the recruitment of the elite and the second aims to reveal the changing mechanisms of political control and the checks and balances of the Chinese political system. The article argues that the future of the CCP largely depends on two seemingly contradictory needs: how broad-based will the Party's recruitment of its new elites be on the one hand and how effective will the top leadership be in controlling this increasingly diverse political institution on the other. The emerging fifth generation of leaders is likely to find the challenge of producing elite harmony and unity within the Party more difficult than their predecessors. Yet, the diverse demographic and political backgrounds of China's new leaders can also be considered a positive development that may contribute to the Chinese-style inner-Party democracy.

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Dr. Cheng Li is Director of Research and Senior Fellow at the Brookings Institution's John L. Thornton China Center. Cheng Li's publications include *Rediscovering China: Dynamics and Dilemmas of Reform* (1997), *China's Leaders: The New Generation* (2001), *Bridging Minds across the Pacific: U.S.-China Educational Exchanges* (2005), and *China's Changing Political Landscape: Prospects for Democracy* (2008). He is currently completing a book manuscript on *Urban Subcultures in Shanghai*.

E-mail: <cli@brookings.edu>

Introduction

The Chinese leadership is often seen as a dialectic of unity and enmity. At a time when the country faces a multitude of daunting challenges such as growing economic disparity, constant social unrest, poor international image; and frequent industrial, environmental, and natural disasters; the leaders of the Chinese Communist Party (CCP) understand that they are “all in the same boat”. It is in their best interest to demonstrate political solidarity.

While these pressures and shared concerns can help strengthen leadership unity and cohesion among the elite, differences in attitude, personal experience, political strategy and vision, and factional, bureaucratic and geographic associations may cause division. Societal demand for a transparent and accountable government is on the rise. Foreign-policy challenges have become acute as China confronts an unstable and increasingly complicated and unpredictable external environment. One can argue that cleavages within the Chinese leadership, specifically the lack of consensus on major social and economic policies, are so fundamental that enmity or conflict is, or will be, the defining feature of future Chinese leadership politics.

This article explores two interrelated aspects of the new dynamics within the CCP leadership, namely, the new elite groups and ground-rules in Chinese politics. The first shows drastic changes in elite-recruitment practices and the second aims to describe the changing methods of political control and the checks and balances of China’s party organization. The article argues that the future of the CCP largely depends on two seemingly contradictory needs: how the Party can recruit its new elites in the most broadly-based manner on the one hand, and how effective the top leadership will be in controlling this increasingly diverse political institution on the other. The emerging generation of new Chinese political elites, known as the fifth generation of leaders, is likely to find the challenge of producing harmony in their ranks and unity within the Party more difficult than did their predecessors. Two major factors contribute to this daunting political challenge. First, throughout most of the People’s Republic of China’s (PRC) history the ruling elite was largely homogeneous in terms of sociological and professional backgrounds, whether it was the peasants- and soldiers-turned-Communist revolutionary-veterans among the first and second generations, or the engineers-turned-technocrats who made up the third and fourth generations. The upcoming fifth generation is arguably the most

diverse elite generation in the PRC's history in terms of its members' class backgrounds, political associations, educational credentials, and career paths. Differences in the career experiences and administrative backgrounds of China's top leaders are, in fact, often a source of tension and conflict (Pye 1988; Teiwes 1984).

Second, over the past three decades, China has been gradually renouncing rule by a single, charismatic, all-powerful leader such as Mao Zedong and Deng Xiaoping in favour of a much more collective form of leadership. The transition began in the Jiang Zemin era and has become increasingly institutionalized under the leadership of Hu Jintao. This transformation has ended the era of strongman politics and, to a certain extent, China's long history of arbitrary decision-making by a lone individual. Factional politics, which have been particularly noticeable among the leaders of the fifth generation, may grow unruly as this generation comes to the fore; potentially resulting in a collective-leadership model that makes for a lengthier and more complicated decision-making process – perhaps even leading to deadlock. Choices over issues including the domestic redistribution of resources, the establishment of a public health-care system, environmental protection, energy security, financial reforms, and disputes regarding Tibet, Taiwan, and trade are so contentious that the Chinese leadership may find it increasingly difficult to reach the kind of consensus necessary to govern effectively.

Yet, this pessimistic view should be balanced by a competing assessment. A vicious power struggle is, of course, hardly inevitable. Political competition in present-day China is by no means a zero-sum game. The diverse demographic and political backgrounds of the country's highest-ranking leaders can also be regarded as a positive element which could contribute to political pluralism in China. Collective leadership, one might even argue, is not only a mechanism of power-sharing through a system of checks and balances among competing political camps, but also entails a more dynamic and institutionalized decision-making process through which political leaders come to represent various social and geographic constituencies and thus develop better policies to meet new and complicated socio-economic environments.

This article focuses on the fifth generation of leaders; those born in the 1950s and early 1960s. Presently in their 50s and late 40s, this group acceded to the national leadership at the Seventeenth Party Congress of the CCP and the Eleventh National People's Congress (NPC), held in October 2007 and March 2008. New leaders include two members of the

Standing Committee of the Politburo (PBSC) (Vice President Xi Jinping and Executive Vice Premier Li Keqiang), four members of the Politburo (Director of the CCP Organization Department Li Yuanchao, Vice Premier Wang Qishan, Guangdong Party Secretary Wang Yang, and Chongqing Party Secretary Bo Xilai), and two members of the Secretariat (Director of the CCP General Office Ling Jihua and Director of the CCP Central Policy Research Center Wang Huning).¹ The CCP's norm of promoting leaders in batches based on age brackets suggests that Hu's designated successor will most likely be chosen from the fifth generation. These rising stars – especially Xi Jinping, Li Keqiang, Li Yuanchao, and Wang Yang – will be in line for succession to the top posts in the Party and the State in 2012 and 2013. They will govern the most populous country in the world into the next decade and beyond.

Elite Recruitment: Growing Diversity of Professional Careers

China's emerging generation of leaders lived their formative years during the Cultural Revolution (Li 2007). In contrast to the fourth generation of leaders, most of whom were in college or had already completed their higher education when the Cultural Revolution began in 1966, the majority of fifth-generation leaders were in elementary or middle school and consequently lost the opportunity for formal schooling due to a decade of political turmoil. Many were sent for several years from cities to the countryside to work as farmers – including rising stars of the fifth generation such as Xi Jinping, Li Keqiang, and Li Yuanchao. Xi Jinping, for example, worked as a farmer and branch Party secretary in a village in Yanchuan County in Yan'an, Shaanxi Province between 1969 and 1975. Some of them made remarkable “come-backs” by entering college when the higher-education system reopened after 1978.

Despite the shared memories and hardships of their formative years, fifth-generation leaders often came from different class backgrounds and divergent career paths. They lacked the strong political bonds and soli-

1 Wang Qishan and Bo Xilai were in fact born in 1948 and 1949, but they are also considered to be possible candidates in the race to succeed the fourth-generation top leaders. Due to the closeness in their ages to the age-cohort of the fifth generation, their life experiences are quite similar to those of Xi Jinping, Li Keqiang and others. As an exception, this study considers Wang and Bo as members of the fifth generation.

parity experienced by previous generations of leaders, which had sustained the latter through combat experiences during the Long March, the anti-Japanese war, and the Communist Revolution. The degree of political socialization of each fifth-generation leader correlates directly to the period during which they joined the CCP. My recent study of 538 fifth-generation leaders (at the vice minister/ vice governor level or above) shows that they joined the CCP from 1967 to 1997 – a span of 30 years. The final few years of the Cultural Revolution (1973-1976) and the early 1980s (1981-1985) were two peak periods during which a large number of fifth-generation leaders were recruited by the CCP – constituting 41 per cent and 29 per cent of the leaders in this study pool (Li 2008a). China's political environments and ideological orthodoxies in these two periods were drastically different: the former was dominated by the radicalism of the “Gang of Four”, while the latter was – noticeably – the least contentious period of Deng's economic reforms.

More important, three new elite groups have recently emerged or re-emerged within the Chinese leadership, and will likely play increasingly important roles in the future:

- lawyers and legal professionals;
- entrepreneurs who work for the state-owned enterprises (SOEs), private firms, and joint ventures, and
- foreign-educated returnees are known as *haiguipai*.

The memberships of these three groups, based on different occupational or educational backgrounds, are not mutually exclusive.

The End of the Technocrats' Dominance and the Rapid Rise of Lawyers

A comparison of specializations between the third and fourth generations on one hand, and the fifth generation on the other, shows the rapid decline of the technocrats' dominance within the Chinese leadership and the increasing prominence of leaders trained in economics, social sciences, and law.

A technocrat is defined as a political leader who has an educational and professional background as an engineer or a natural scientist (Li 2001: 26-28). This study does not consider those leaders who are trained in economics and finance as technocrats. As a distinct elite group, technocrats emerged in the mid-1980s and have dominated the Chinese national and provincial leadership since the early 1990s. In 1997, for exam-

ple, technocrats constituted 70 per cent of ministers, 74 per cent of provincial Party secretaries, 77 per cent of governors, and 51 per cent of full-members of the CCP Central Committee (CCPCC) (Li and White 1998: 251; He 1996). Of the 24 full-members of the PB of the Sixteenth CCPCC in 2002-2007, 18 (75 per cent) majored in engineering, and all nine members of the current PBSC are engineers by training.

Although technocrats continue to constitute an elite group in present-day China, their power within the Chinese leadership is coming to an end. The percentages of technocrats serving as ministers, provincial Party secretaries and governors are presently 41 per cent, 39 per cent, and 26 per cent (Li 2008a). The number of technocrats in the PB dropped from 18 (75 per cent) in the Sixteenth CCPCC to ten (40 per cent) in the Seventeenth Central Committee (CC). Based on an assessment of the highest academic degrees conferred upon the front-runners of the fifth generation, none could be considered a technocrat. Xi Jinping and Li Yuanchao received their Ph.D.s in law; Li Keqiang obtained his Ph.D. in economics (following an undergraduate degree in law); Wang Qishan majored in history; Bo Xilai studied journalism at both the undergraduate and graduate levels; Wang Yang studied economic management; Ling Jihua earned an M.B.A.; and Wang Huning obtained his M.A. degree in law and political science.

In the past decade, a degree in law or politics has become a valuable credential for aspiring political leaders. The number of registered lawyers in China has significantly increased. In the early 1980s, there were only 3,000 lawyers in a country of over one billion people. In the early 1990s, China had approximately 40,000 lawyers. By 2004, China had a total of 11,691 registered law firms, and some 114,000 lawyers. These figures continue to grow rapidly (Ji and Wang 2005). There are presently 620 law schools and departments that produce roughly 100,000 law graduates per year (Cohen 2007). One sign of the explosive growth of interest in law studies can be seen in the increased enrolment statistics. In 2004 the number of registered (including part-time) students at Peking University Law School equalled the total number of law students trained at the school over the past 50 years combined. Law students comprise one of the CCP's main sources of political recruitment.

Although many of these trained lawyers and legal professionals may choose to work outside the political establishment in order to challenge abuses of power, political elites with legal backgrounds will almost certainly be increasingly present in the leadership in the years to come. In

addition to Xi Jinping, Li Keqiang, Li Yuanchao, and Wang Huning, other rising stars in the national and provincial leadership also received their undergraduate and/ or graduate education in law. They include Minister of Justice Wu Aiyang, Minister of Culture Cai Wu, Procurator-General of the Supreme People's Procuratorate Cao Jianming, Qinghai Party Secretary Qiang Wei, Hunan Governor Zhou Qiang, and Shaanxi Governor Yuan Chunqing.

An important theoretical proposition in Western academic circles is that the occupational character of the ruling class in a given country has strong implications for – and sometimes a determining effect on – the nature of the political system (Pareto 1968; Putnam 1976). Political elites often want to leave a legacy of leadership in the area of their particular personal or professional interest. Technocrats, for example, tend to focus on economic growth and technological development because of their backgrounds in these subjects. It is not unreasonable to expect the growing number of lawyers and political science students in the upcoming fifth generation to want to have an impact on the fields of political and legal reform, as they appear more interested in these subjects than were the generations of communist ideologues, revolutionary veterans, and economic technocrats who preceded them (Li 2008b).

The Re-emergence of Entrepreneurs

The rise of a dynamic private sector in China – largely run by a fast-growing entrepreneurial class – is one of the most important developments of the early twenty-first century. For most of the PRC's history, the CCP did not allow the existence of private entrepreneurs, and certainly did not recruit them to serve in the political leadership. While entrepreneurs initially survived the founding of the PRC, they were all but eliminated by the mid-1950s, re-emerging as a distinct elite group only in the late 1980s. The rapid development of rural industries, urban private enterprises and joint ventures, the adoption of a stock market, government permission for land-leasing, the large inflow of foreign aid and investment, explosive export growth, and the technological and communications revolutions are all contributing factors to the re-emergence of entrepreneurship in the PRC. According to one official Chinese source, by 2006, China had about five million private enterprises, accounting for 57 per cent of all business firms in the country (*People's Daily Online* 2007). At present, there are nearly 50 million entrepreneurs in China

controlling a total of 10 trillion CNY in assets and who contribute one-third of the country's revenue (*Dongfang Zaobao* 2008).

Jiang Zemin's theory of "the three represents" – an ideological innovation designed to legitimize the recruitment of private entrepreneurs by the CCP and its leadership – defines the Party's current stance towards private capital. Many owners of private enterprises are members of the CCP; and their (those with CCP membership) representation among the total number of private entrepreneurs increased significantly during the last 15 years – from 13 per cent in 1993, to 17 per cent in 1995, 20 per cent in 1999, 30 per cent in 2002, and 34 per cent in 2004. According to statistics provided by the CCP Organization Department, a total of 3,180,000 Party members worked in the non-state sector and an additional 810,000 Party members were self-employed in commercial and industrial businesses (*getihu*) in 2007 (*China Today* 2007; *Hunan Economic Net Blog* 2007). Another recent study showed that 35 per cent of the five hundred richest people in China in 2006 – all of whom are multi-millionaires – are CCP members (*Xinhua News Net* 2006).

At the Sixteenth Party Congress (held in 2002), for the first time in the history of the CCP, the Central Enterprise Work Commission and the Central Financial Work Commission had delegations at the Congress. Simultaneously, the CCP Organization Department allocated delegate seats for representatives from private firms and non-government organizations – the so-called "new economic entities" (*xin jingji zuzhi*) and "new social organizations" (*xin shehui zuzhi*) (*CNWest News* 2007). Seven private entrepreneurs, including Shen Wenrong (Chairman of the Jiangsu Shagang Group Co., Ltd.) and Sun Shenlin (Chairman of the Chongqing Souther Group Co., Ltd.), were designated to fill those seats at the Sixteenth Party Congress. The Jiangsu Shagang Group is a private firm specializing in steel production. Presently, the firm has 9,800 employees, assets of 66.2 billion CNY and is ranked No. 23 out of China's 500 largest companies.

An increased number of entrepreneurs, representing either state-owned or private firms, attended the Seventeenth Party Congress as delegates. A handful of business leaders and CEOs of large firms and banks currently serve on the CC as full or alternate members at the same Congress. A majority of these entrepreneurs and bankers emanate from SOEs, but some are from collective, share-holding companies or joint ventures. For example, Zhang Ruimin, CEO of Haier, serves on the Seventeenth Central Committee. The ownership of Haier, the world's

fourth-largest white-goods manufacturer and one of China's top IT companies, is dubious because it is a collective share-holding company, but both the state and Zhang himself own large shares of the company.

It should be noted that a great number of those fifth-generation leaders seated on the Seventeenth Central Committee who were born in the early 1960s have business backgrounds as CEOs of China's flagship enterprises. They include Wang Xiaochu (CEO of China Telecom, 49-years-old), Xu Lejiang (CEO of Shanghai Bao Steel, 49-years-old), Xiao Yanqing (CEO of China Aluminum Corporation, 48-years-old), Zhang Qingwei (the 47-year-old CEO of the newly established Commercial Aircraft Corporation of China), Zhu Yanfeng (CEO of First Auto, 46-years-old), Chen Chuanping (CEO of Taiyuan Steel, 45-year-old), and Su Shulin (the 45-year-old CEO of SINOPEC). Some have recently moved to top posts in the provincial leadership. For example, Zhu Yanfeng was recently appointed as vice governor of Jilin and Chen Chuanping as vice governor of Shanxi.² Their relatively young age, compared with that of other members on the CCPCC, has placed them in an advantageous position for possible future promotion.

Although entrepreneurs have occupied only 18 of 371 seats (5 per cent) on the Seventeenth Central Committee, they are likely to gain influence in the future governing elite, as China's major large enterprises play a more important role in the country's economic development, foreign trade, and global expansion (Downs 2008). Another interesting phenomenon is that a majority of the children of senior leaders – including those of Jiang Zemin, Li Peng, Zhu Rongji (in the third generation) and Hu Jintao, Wen Jiabao, and Zeng Qinghong (in the fourth generation) – are currently pursuing careers in the business sector rather than the Party, the Chinese Communist Youth League (CCYL) or local leadership posts. This suggests that a business career may prove to be an important pathway to power in ten to fifteen years.

Foreign-educated Returnees

Since Deng Xiaoping's monumental decision to send a large number of students and scholars to study abroad in 1978, approximately one million Chinese nationals have pursued education abroad. About one-third have returned to China, finding work in all walks of life, including the public

2 Two former CEOs serve as provincial Party secretaries – Wei Liucheng (Hainan Party Secretary) and Guo Shengkun (Guangxi Party Secretary).

administration and the Party leadership. Although the number of foreign-educated returnees remains small in the fifth-generation leadership, as a distinct group they have increased their presence, contributing to the growing diversity of the Chinese political elite. The third-generation leadership included many foreign-educated technocrats – such as Jiang Zemin, Li Peng, Luo Gan, Li Lanqing, and Cao Gangchuan – but the majority studied in the former Soviet Union and Eastern European countries. Fourth-generation leaders, with the exception of Zhang Dejiang who studied in North Korea, generally have attended university in China – which is hardly surprising since throughout the 1960s and 1970s the government allowed very few to study abroad.

A majority of fifth-generation leaders with foreign-study experience attended schools in democratic countries, e.g., in North America, Western Europe, and Japan. Also, in contrast to third- and fourth-generation leaders, who went abroad to study, more often than not, engineering and natural sciences, fifth-generation leaders went to Western countries to study economics, social science, and law. For example, Minister of Foreign Affairs Yang Jiechi studied international relations at Bath University and the London School of Economics; Vice Minister of Foreign Affairs Wang Yi studied international relations at Georgetown University; Cao Jianming studied at law schools in San Francisco and Belgium; Chairman of the Industrial and Commercial Bank of China Jiang Jianqing and Vice Governor of Gansu Feng Jianshen both studied finance at Columbia University.

While a majority of fifth-generation leaders studied abroad as visiting scholars, some received graduate degrees (including Ph.D.s) from well-known universities in the United States of America and Europe in the late 1980s and early 1990s – Vice Governor of Guangxi Chen Zhangliang received a Ph.D. in biology from Washington University in St. Louis in 1987; Vice Governor of the People's Bank Yi Gang received his Ph.D. in economics from Illinois University in 1986 and taught at Indiana University for many years before returning to China in 1994; Vice Minister of Commerce Gao Hucheng obtained a doctoral degree in sociology at the University of Paris-VII in 1987; and Party Secretary of Beijing University Min Weifang earned a doctoral degree in education at Stanford University in 1987. Two full-ministers of the State Council, Minister of Science and Technology Wan Gang and Minister of Health Chen Zhu, are not CCP members. Wan received a Ph.D. in physics at

Technische Universität Clausthal, Germany in 1986; and Chen obtained a doctoral degree in medicine from the University of Paris-VII in 1987.

Those returnees who have been recruited for the leadership usually serve in the functional areas of education, science and technology, foreign trade, and foreign affairs (Li 2006b). They have no opportunity to broaden their leadership experiences beyond the specific fields in which they received their training. Thus, compared with China's domestically-trained officials, foreign-educated returnees are at a disadvantage, career-wise, for further political advancement.

Presently, the percentage of foreign-educated individuals included at the national and provincial levels of leadership remains negligible, in contrast to many East Asian and Southeast Asian countries in which foreign-educated elites have dominated the political leadership. However, it is evident that the number of returnees among the Chinese leadership has gradually increased over the past decade. At the Seventeenth CCPCC, 36 out of a total 371 members had foreign-study experience, accounting for 9.7 per cent, compared with 20 out of the Sixteenth Central Committee's 356 members (5.6 per cent) in 2002 (Li and White 2003: 586). My recent study of fifth-generation leaders who serve at the ministerial or provincial leadership level – or above – shows that 82 of a total 538 leaders are reported to have foreign-study experience, accounting for 15 per cent of the study pool (Li 2008a).

Equally important, for the first time in the PRC's history, leaders with study experience in the United States of America have entered the Politburo and Secretariat of the CC. Li Yuanchao and Wang Huning, who are now, respectively, in charge of personnel and propaganda work for the CCP, studied in the United States of America as visiting scholars; Li attending the short-term program in public administration at Harvard's Kennedy School and Wang as a visiting scholar in the departments of political science at the University of Iowa and the University of California, Berkeley.

Some of these returnees-turned-leaders previously played important roles in advising top leaders. Wang Huning and Cao Jianming assisted Jiang Zemin in such crucial areas as ideological evolution, legal issues related to China's accession to the World Trade Organization (WTO), and tensions across the Taiwan Strait. Wang, for example, is believed to have been a principal drafter of the "three represents" theory expounded by Jiang. More recently, Wang has travelled on a regular basis with Hu Jintao, both domestically and internationally. It seems that these indi-

viduals presently have an increasing and direct impact on the political process from within decision-making circles. The presence and growing power of Western-educated elites in the Chinese leadership should be an important indicator of the country's openness and political transformation. It remains to be seen whether those returnees who serve in public office, in either the government or Party leadership, will bring with them – and help propagate – international norms and values learned through their foreign experiences.

According to the Ministry of Education, between now and 2020 China will send an ever-increasing number of students to study abroad, principally in the West. Since the year 2000, approximately 120,000 Chinese students have gone to study abroad every year. That annual figure is expected to increase to 300,000 by 2020 (*China Daily* 2006). It is likely that, in the future, China's booming economy and the national pride it engenders in many of its citizens will induce a significant number of its foreign-educated students to return to their homeland. As their numbers increase, this distinct elite group will probably compete more aggressively for high office. According to a recently published report by the Shanghai municipal government, about 75,000 foreign-educated returnees (25 per cent of the national total) now live and work in Shanghai (*Xinmin Wanbao* 2009). About 75 per cent of foreign-educated returnees spent time studying in the United States of America, Europe, Japan, or Australia. Approximately 80 per cent received Ph.D. or master's (M.A.) degrees, and 50 per cent are between 30 and 40 years old (Yi 2002: 252). These developments all suggest the likelihood of foreign-educated returnees becoming increasingly implicated in the Chinese political system into the next decade and beyond.

The growing influence and power of these three new elite groups – lawyers, entrepreneurs, and returnees – challenges the aforementioned dominance of technocrats in the leadership, indicating that the career paths of Chinese political elites are increasingly divergent. The diversity of their demographic, educational, and administrative backgrounds may contribute to political pluralism in China. One can also argue that because of their different areas of expertise, credentials and experiences, contending elite groups need each other to survive and will, therefore, have to share power if they want to maintain the CCP's grip on power.

“One Party, Two Coalitions”: Toward Chinese-style Democracy?

The most important political change occurring in China is – perhaps – not the growing diversity of political officials, but the incremental trend toward a system of checks and balances within the leadership. I believe that one of the most fascinating characteristics of China’s political landscape, at present, is the emerging bipartisanship within the CCP, which is structured by checks and balances between two informal, major coalitions (or factions) within the leadership. One may call it the “One Party, Two Coalitions” formula.

These two groups can be identified as the “populist coalition”, led by President Hu Jintao and Premier Wen Jiabao; and the “elitist coalition”, led by former President Jiang Zemin, former Vice President Zeng Qinghong and current Chairman of the NPC Wu Bangguo. Senior Chinese leaders have begun using the term “inner-Party democracy” to describe their perceived need for the Party to institutionalize just such a system of checks and balances within its leadership.

Party Control and Factional Dynamics: Five Main Features

Factional politics is, of course, hardly new to China, nor is the phenomenon of existing elites being replaced by new elite groups. However, today’s Chinese leaders, unlike their predecessors, are increasingly forced to seek legitimacy through institutional channels. Negotiation, compromise, deal-cutting, consensus-building, and behind-the-scenes lobbying all occur far more frequently today than they did before. These new factional dynamics have the following five main features:

1. Leaders of these two coalitions have distinct personal careers and political associations. The elitist coalition consists of princelings, children of high-ranking (vice ministerial level or above) officials, the famous “Shanghai Gang”, foreign-educated returnees, and entrepreneurs of large companies. In contrast, members of the populist coalition usually come from humble family backgrounds, have experience working at the grassroots level, especially in the poor inland areas, and have often advanced their careers due to their work in the provincial or ministerial leadership of the CCYL, known as *tuanpai* – Hu Jintao’s power base.

2. The two coalitions represent two different socio-economic classes and different geographical regions; the elitist group representing the interest of the emerging middle class; while the populist coalition often voices the concerns of vulnerable social groups such as farmers, migrant workers and the urban poor. Geographically, the former advances the needs of the coastal region (China's "blue states") and latter protects the inland region's interests (China's "red states").
3. The two coalitions have contrasting policy initiatives and priorities. The elitist group emphasizes GDP growth while the populists advocate social justice and social cohesion. To a great extent, Hu's populist leadership has already steered China's course of development away from an excessive emphasis on foreign investment and foreign trade towards a greater effort to stimulate domestic demand, and from a single-minded emphasis on coastal development to a more regionally balanced approach to development. Favourable policies and financial resources are currently being directed towards Chongqing in the west and Tianjin in the north rather than to Shanghai in the east and Shenzhen in the south as has been the case over the past two decades.
4. These two elite groups are almost equally powerful, and each has expertise and leadership skills that complement the other. Leaders in the populist coalition have extensive experience in organization, propaganda, and legal affairs; while the elite coalition is comprised of many leaders with expertise in finance, banking, foreign trade, science, and technology. This dynamic is creating a complicated factional interdependence.
5. The groups compete with each other on certain issues but are willing to cooperate on others. Factional politics is no longer a zero-sum game in which the winner takes all. To a great extent, this emerging bipartisan balance may help the Party avoid an open split, and thereby prevent the emergence of major, nation-wide social unrest. This also makes "bipartisanship with Chinese characteristics" a sustainable proposition for the near- to medium-term future (Li 2006a).

Princelings versus *Tuanpai*: Political Bases of Fifth-generation Rising Stars

The factional power and influence of both princelings and *tuanpai* is nothing new. Jiang Zemin, Li Peng, and Zeng Qinghong were all known

for their princeling backgrounds. Hu Jintao's rise to the top leadership indicated the coming-of-age of *tuanpai*. However, at no time in the PRC's history have these two factions occupied as many seats in the top decision-making organs as they do today. In the 24-member Fifteenth Politburo formed in 1997, four members (16.7 per cent) were princelings: Party General-Secretary Jiang Zemin, Chairman of the NPC Li Peng, Vice Chairman of the NPC Li Tieying, and Director of the General Office of the CCPCC Zeng Qinghong. In the 25-member Sixteenth Politburo selected in 2002, three members (12 per cent) were princelings: Hubei Party Secretary Yu Zhengsheng and Minister of Public Security Zhou Yongkang, as well as Vice President Zeng Qinghong, a holdover from the Fifteenth PB. In the current 25-member Seventeenth PB, the number of princelings has increased to seven (28 per cent): Xi Jinping, Zhou Yongkang, Li Yuanchao, Wang Qishan, State Councillor Liu Yandong, Shanghai Party Secretary Yu Zhengsheng, and Bo Xilai. Although princelings may, or may not, have strong patron-client ties among themselves, the shared political identity and need to protect their interests at a time of growing public resentment against them causes many of these princelings to "stick together".

Meanwhile, the number of *tuanpai* has also increased from three (12.5 per cent) in the Fifteenth Politburo, to four (16 per cent) in the Sixteenth Politburo, and finally, eight (32 per cent) in the Seventeenth Politburo: Hu Jintao, Li Keqiang, Wang Zhaoguo, Liu Yuanshan, Wang Lequan, Li Yuanchao, Liu Yandong, and Wang Yang.³ The close work relationship of these *tuanpai* leaders began about 25 years ago (in the early 1980s) while working at the national and provincial levels of the CCYL leadership – the period during which Hu was serving as secretary of the organization.

In the newly formed PB and Secretariat of the Seventeenth Central Committee, and the new State Council selected by the Eleventh NPC, there are currently eight members in their 50s. Four leaders – Xi Jinping, Wang Qishan, Bo Xilai, and Wang Huning – belong to the elite camp. The first three are princelings, while Wang Huning is a member of the Shanghai Gang. All four are protégés of Jiang Zemin and Zeng Qinghong. The other four – Li Keqiang, Li Yuanchao, Wang Yang, and Ling Jihua – belong to the populist camp. The career trajectories of all eight

3 Li Yuanchao and Liu Yandong have dual identities as both princelings and *tuanpai*. Most analysts consider them members of the *tuanpai* faction because of their close patron-client ties with Hu Jintao and their political loyalty to the *tuanpai* leadership.

began primarily from within the ranks of the CCYL; they are known as long-time protégés of Hu Jintao. It is interesting to note that these two fifth-generation camps have been allotted an equal number of the seats in each of the country's most important decision-making organs, e.g., in the PBSC (Xi Jinping versus Li Keqiang), the PB (Wang Qishan and Bo Xilai versus Li Yuanchao and Wang Yang), the Secretariat (Xi Jinping and Wang Huning versus Li Yuanchao and Ling Jihua), and the State Council as vice premiers (Wang Qishan versus Li Keqiang). This fact may indicate the degree of intensity of dynamic factional competition; especially its portent for the upcoming political succession.

Meanwhile, both powerful business groups and vulnerable social groups seek to represent their interests in the Chinese leadership. Business interests are promoted by property developers, real estate agents, local officials, and monopoly industries such as telecommunications, oil, electricity, and the automobile industry. Socially vulnerable groups, including vast numbers of peasants, migrant workers, the urban poor and the laid-off, also represent huge contingents of the Chinese populace that desperately need state assistance. While business interest groups routinely bribe officials and form so-called “wicked coalitions” with local governments, vulnerable social groups are becoming increasingly active, demanding respect for their rights and calling for social justice. The ever-growing number of mass public protests in recent years – often sparked by local officials’ misdeeds such as uncompensated land seizures, poor response to industrial accidents, arbitrary taxes, and failure to pay wages – reflects their frustration. The fact that alarming statistics concerning public protests have dominated Chinese media headlines suggests that vulnerable social groups have found someone in the senior leadership willing to address their concerns.

Policy Differences in the Fifth Generation of Leadership

The policy differences between the elitist coalition and the populist coalition, between the princeling and *tuanpai* factions, and between Xi Jinping and Li Keqiang, are as significant as the contrasts in their sociopolitical backgrounds. Xi and Li, the two leading contenders for top leadership posts in 2012 and 2013, may have strikingly different policy priorities. Xi's enthusiasm for continued private-sector development and market liberalization is well-known to the Chinese public and the international business community. Not surprisingly, his primary policy concerns include promoting economic efficiency, attaining a high rate of GDP

growth, and integrating China further into the world economy. Xi certainly recognizes the necessity of accelerating China's inland development, but he favours "continued rapid-growth of the coastal provinces as the means to resolving the remaining development challenges through a process of trickle down", as Anthony Saich recently observed (Saich 2008).

In contrast to Xi, Li has been noted for his concern for the unemployed, his efforts to make affordable housing more widely available, and his desire to develop a rudimentary social safety net, starting with the provision of basic healthcare. Li's emphasis on employment, for example, has also been well known since his stint as Party secretary in Liaoning at the end of 2004. In 2007 he promised: "If all the members of a family were jobless, the government would offer them employment within twenty days" (Saich 2008). For Li, reducing economic disparities is a more urgent policy priority than enhancing economic efficiency. Li has been an enthusiastic supporter of his mentor Hu Jintao's populist policy initiatives to produce a more balanced regional development. He will most likely push for the development of China's northeast region in the years to come.

The competing agendas of social groups at both ends of the economic spectrum, coupled with the divergent interests of the coastal and inland provinces, are elements driving the emergence of a more collective and competitive Chinese leadership that implements policies to face the new socio-economic environment. For instance, the recent amendment to the PRC Constitution proposing the establishment of property rights and the economic goal of the Seventeenth Party Congress to quadruple the GDP per capita by 2020 primarily serve the interests of urban entrepreneurs. In contrast, the populist policy which supports a waiver on various taxes levied against farmers and the platform of building a harmonious society reflect the concerns of rural groups.

Diverging policy priorities are likely to differ even further as Xi and Li contemplate how China should respond to growing foreign pressure for the *Renminbi's* appreciation, how it should deal with issues such as global warming and environmental degradation, and which regions and cities should be considered as the engines of its next phase of development. The competition between Xi and Li, therefore, is about much more than sheer political power. It should be noted that neither Xi nor Li can claim any major achievement. Although each belongs to one of the two strong leadership factions, they are still quite weak as individual

leaders. Compared with top fourth-generation leaders such as Hu Jintao, Zeng Qinghong, and Wen Jiabao, all known for their brilliance in terms of political compromise and consensus-building, Xi and Li are not at all impressive. Each has yet to prove his leadership skills. China's political and economic direction may well hinge on how well these two fifth-generation front-runners and the two competing coalitions in a broader sense, succeed – or fail – at working together.

Final Thoughts

China's emerging bipartisanship within the CCP, therefore, is not only a mechanism of power-sharing through checks and balances among competing political camps, but also entails a more dynamic and pluralistic decision-making process through which political leaders can represent various social and geographic constituencies. The rise of collective leadership may result in fewer policies aimed at maximizing GDP growth rates by any means, such as those which have incurred a huge cost – in terms of environment degradation – during the past two decades. Instead, it may give way to policies that provide due consideration to both economic efficiency and social justice.

Despite its potential, the inner-Party bipartisanship presents a major challenge for the CCP as a leadership organization in two important respects. On the policy front, conflicting interests and competing policy initiatives may make the decision-making process lengthier and more complicated, and perhaps even lead to deadlock. At a time when China confronts many tough choices over issues such as the regional redistribution of resources, the construction of a public health-care system, environmental protection, financial reform, and disputes over foreign trade, the Chinese leadership may find it increasingly difficult to reach consensus. On the political front, although the diversity of the educational, occupational, and administrative backgrounds of China's emerging fifth-generation leaders is a positive development that may lead to political pluralism, we have yet to see whether Chinese authorities will, in the near future, overcome their deep-rooted obsession with political stability and introduce a more competitive process for selecting members of the Politburo and its top leaders. Presently, the Chinese-style inner-Party bipartisanship has some serious limitations. Factional politics and political coalitions within the CCP, not completely opaque to the public, still lack transparency and accountability. Unlike factional politics in democratic

countries, such as those exercised in Japan's Liberal Democratic Party (LDP), factional politics within the CCP are not yet legitimate as per the Party's constitution.

Yet, one can argue that because of the new leaders' differences in expertise, credentials, and experience, contending elite groups will realize the need to find ways to coexist in order to govern effectively. Their common interest in domestic social stability and shared aspiration to further China's rise on the world stage may render collective leadership both feasible and sustainable. China's collective leadership is crucial not only because it prompts concrete direction regarding so-called intra-Party democracy, but also because it reveals how governance of the most populous country in the world is evolving.

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